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No. 512

In the Supreme Court of the United States

OCTOBER TERM, 1958

CLIFTON E. BAIRD AND VIOLET L. BAIRD, PETITIONERS

v.

COMMISSIONER OF INTERNAL REVENUE

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

MEMORANDUM FOR THE RESPONDENT

J. LEE RANKIN,
Solicitor General,
Department of Justice, Washington 25, D. C.

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The question presented in this case is whether an accrual basis partnership which sells property and receives part of the gain on sales in cash and part in the form of a credit—the latter portion to be ultimately satisfied either by payment in cash or by offset against the partnership's obligations—is required to report the amount of the gain so credited (as well as the gain in cash) as income for the year in which the credit is made. The same question is presented in *Commissioner* v. *Hansen*, No. 380, this Term, and *Commissioner* v. *Glover*, No. 381, this Term, in both of which cases this Court granted certiorari on November 10, 1958. Indeed, the facts of this case appear to present the issue in even clearer focus than do the other cases. Accordingly, the Commissioner does not

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oppose the grant of certiorari and suggests that this case be consolidated for argument with the *Hansen* and *Glover* cases, *supra,* under Rule 43 (5).[1]

Respectfully submitted.

J. LEE RANKIN,
Solicitor General.

NOVEMBER 1958.

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[1] In such event, the Commissioner intends to file a single, consolidated brief in all three cases.